



## Federal Update for March 10 - 14, 2014



### *VA Health Care: Actions Needed to Improve Administration and Oversight of Veterans' Millennium Act Emergency Care Benefit*

#### **What GAO Found**

The Veterans Millennium Health Care and Benefits Act (Millennium Act) authorizes the Department of Veterans Affairs (VA) to cover emergency care for conditions not related to veterans' service-connected disabilities when veterans who have no other health plan coverage receive care at non-VA providers. However, GAO identified a number of instances where VA staff who processed claims did not comply with applicable requirements of the Millennium Act, its implementing regulations, or VA policies when they denied the claims. Specifically, at the four VA facilities included in this review, GAO found 66 instances of noncompliance among the 128 denied claims reviewed, which led some claims to be inappropriately denied. VA facilities subsequently reconsidered and paid 25 of these claims. GAO also found that VA facilities may not be notifying veterans as required that their Millennium Act claims have been denied. Eighty-three claims out of 128 that GAO reviewed lacked documentation that the veteran was notified of the denial or of his or her appeal rights. These findings suggest that veterans whose claims have been inappropriately denied may have been held financially liable for emergency care that VA should have covered, and they may not be aware of their rights to appeal these denials.

GAO also found that, as a result of weaknesses in VA's oversight of Millennium Act claims, VA facilities are at risk for inappropriately denying such claims. For example, agency oversight activities do not focus on compliance with all applicable requirements but rather on the timeliness of claims processing. In addition, VA has limited assurance that deficiencies relating to Millennium Act claims processing identified during reviews are corrected because it only conducts

limited follow-up with VA facilities. Moreover, VA does not collect adequate data for monitoring the appropriateness of Millennium Act claim denials. This lack of data hinders VA's ability to track patterns as to why Millennium Act claims are denied and identify areas where communications with veterans and non-VA providers about Millennium Act emergency care benefits could be improved.

VA has used various methods to educate veterans about their Millennium Act eligibility; however, VA officials, non-VA providers, and representatives of veterans service organizations told GAO that veterans still lack knowledge about their eligibility. For example, VA officials reported that because some veterans were uninformed about their eligibility, these veterans may have delayed or avoided seeking treatment at local non-VA providers, choosing instead to go to a less accessible VA facility. Because VA does not require facilities to conduct evaluations of veterans' understanding of Millennium Act eligibility, it lacks information needed to address potential gaps in veterans' knowledge about these benefits. Also, the non-VA providers GAO interviewed cited communication challenges with VA regarding Millennium Act claims, such as not having a specific point of contact at VA for directing specific questions and raising concerns, and a lack of VA responsiveness when issues are raised. Despite VA's efforts to improve communications with non-VA providers after a 2011 customer service survey revealed significant issues, these challenges persisted at the facilities GAO visited.

### **Why GAO Did This Study**

VA spent an estimated \$418 million on Millennium Act emergency care claims in fiscal year 2012 and projects spending will increase to \$580 million by fiscal year 2015. GAO was asked to review VA's administration of the emergency care benefit under the act. This report examines the extent to which (1) selected VA facilities complied with applicable requirements, in particular when denying claims; (2) VA's oversight activities ensure that Millennium Act claims are not inappropriately denied; and (3) veterans understand the Act's emergency care benefit and how VA communicates with non-VA providers about Millennium Act claims.

To do this work, GAO reviewed 4 VA facilities out of 142 based on variations in Millennium Act spending levels and geographic location. GAO also reviewed VA documents—including 128 denied Millennium Act claims from these four facilities—and interviewed officials from VA, non-VA providers, and veterans

service organizations. These results cannot be generalized across VA but provide insights.

### **What GAO Recommends**

GAO recommends that VA take a number of actions, including steps to ensure facilities comply with applicable requirements, notify veterans of denials, improve oversight of claims processing, and collect better data on denials and veterans' understanding of eligibility for Millennium Act coverage. VA agreed with the recommendations and described its plans to implement them. However, as described in the report, GAO believes that some of VA's proposed actions do not fully address the issues identified.

### **Recommendations for Executive Action**

**Recommendation:** To improve VA's ability to identify systemwide patterns in denials, areas of noncompliance in VA facilities' processing of Millennium Act claims, and areas where communications for veterans and non-VA providers could be improved, the Secretary of Veterans Affairs should direct the Under Secretary for Health to establish a regular reporting mechanism through which VA facilities would provide to VA Central Office data related to the appropriateness of decisions to approve or deny Millennium Act claims.

Agency Affected: Department of Veterans Affairs

Status: Open

**Recommendation:** To improve VA's ability to identify systemwide patterns in denials, areas of noncompliance in VA facilities' processing of Millennium Act claims, and areas where communications for veterans and non-VA providers could be improved, the Secretary of Veterans Affairs should direct the Under Secretary for Health to establish a standard set of Millennium Act denial reasons in FBCS that are specific and aligned with the Millennium Act administrative and clinical criteria, and ensure they are consistently applied across VA facilities.

Agency Affected: Department of Veterans Affairs

Status: Open

**Recommendation:** To improve oversight of Millennium Act claims processing by increasing the focus on determining whether claims are inappropriately denied and ensuring that deficiencies are corrected, the Secretary of Veterans Affairs should direct the Under Secretary for Health to require VA facilities to correct fee

basis claims processing deficiencies that are identified through field assistance visits or virtual audits, once they are implemented, and establish a process for validating facilities' self-reported actions taken to address deficiencies.

Agency Affected: Department of Veterans Affairs

Status: Open

**Recommendation:** To improve oversight of Millennium Act claims processing by increasing the focus on determining whether claims are inappropriately denied and ensuring that deficiencies are corrected, the Secretary of Veterans Affairs should direct the Under Secretary for Health to require VA facilities to systematically audit the appropriateness of Millennium Act claim approvals and denials by taking actions such as revising VA Central Office's internal controls procedure guide for fee basis managers or by establishing performance measures related to the appropriateness of claim approval or denial decisions for fee basis staff.

Agency Affected: Department of Veterans Affairs

Status: Open

**Recommendation:** To improve oversight of Millennium Act claims processing by increasing the focus on determining whether claims are inappropriately denied and ensuring that deficiencies are corrected, the Secretary of Veterans Affairs should direct the Under Secretary for Health to revise the scope of field assistance visits to include an assessment of whether fee basis staff are making appropriate decisions about whether Millennium Act claims meet administrative and clinical criteria for payment.

Agency Affected: Department of Veterans Affairs

Status: Open

**Recommendation:** To better ensure that veterans are notified of Millennium Act emergency care claim denials, the Secretary of Veterans Affairs should direct the Under Secretary for Health to require fee basis supervisors at each VA facility to develop mechanisms for verifying that veteran denial letters are printed and mailed.

Agency Affected: Department of Veterans Affairs

Status: Open

**Recommendation:** To address VA facilities' compliance with applicable requirements for processing non-VA provider emergency care claims, the Secretary of Veterans Affairs should direct the Under Secretary for Health to establish a VA policy regarding processing Millennium Act claims to require VA facilities to assist the veteran in determining whether a claim is eligible for coverage by auto insurance or another third party before denying the claim; and ensure that the standard letters sent to veterans whose claims are denied because of third-party liability, in this case auto insurance coverage, more clearly communicate that the denial could be overturned if the veteran can prove that auto insurance did not fully cover the claim.

Agency Affected: Department of Veterans Affairs

Status: Open

**Recommendation:** To address VA facilities' compliance with applicable requirements for processing non-VA provider emergency care claims, the Secretary of Veterans Affairs should direct the Under Secretary for Health to revise VA policy for processing Millennium Act claims to require that VA fee basis staff who process the claims use the VSSC Find User search to make determinations about veterans' enrollment and use of VA services.

Agency Affected: Department of Veterans Affairs

Status: Open

**Recommendation:** To address VA facilities' compliance with applicable requirements for processing non-VA provider emergency care claims, the Secretary of Veterans Affairs should direct the Under Secretary for Health to clarify the policy for processing Millennium Act claims to communicate the importance of promptly verifying that claims have been sent to the correct VA facility, and implement measures to ensure that all VA facilities comply with this policy.

Agency Affected: Department of Veterans Affairs

Status: Open

**Recommendation:** To address VA facilities' compliance with applicable requirements for processing non-VA provider emergency care claims, the Secretary of Veterans Affairs should direct the Under Secretary for Health to clarify policies and guidance for processing Millennium Act claims to specify that clinicians determine whether emergent care is related to a veteran's service-

connected disability before other Millennium Act criteria are applied to claims, and implement measures to ensure that all VA facilities comply with this policy.

Agency Affected: Department of Veterans Affairs

Status: Open

**Recommendation:** To address VA facilities' compliance with applicable requirements for processing non-VA provider emergency care claims, the Secretary of Veterans Affairs should direct the Under Secretary for Health to implement measures to ensure that all VA facilities comply with VA's policy requirement that incoming claims be date-stamped and scanned into FBCS on the date of receipt.

Agency Affected: Department of Veterans Affairs

Status: Open

**Recommendation:** To improve VA's ability to address its strategic plan objective of educating and empowering veterans, the Secretary of Veterans Affairs should direct the Under Secretary for Health to take steps to better understand gaps in veterans' knowledge regarding eligibility for Millennium Act emergency care, such as by conducting veteran surveys of health care benefits knowledge, and using information from those surveys to more effectively tailor the agency's education efforts regarding the Millennium Act benefit. In conducting these surveys, consideration should be given to including a sample of veterans who have had denied Millennium Act claims in order to provide their views and specific details of their experiences.

Agency Affected: Department of Veterans Affairs

Status: Open

## ***Transitioning Veterans: Improved Oversight Needed to Enhance Implementation of Transition Assistance Program***

### **What GAO Found**

The Departments of Defense (DOD), Labor (DOL), and Veterans Affairs (VA) have implemented most of the key components of the Transition Assistance Program (TAP), a gateway to information and services available to servicemembers transitioning to civilian life. However, the agencies are still in the process of

implementing other key components of TAP. While originally planned for October 2013, agencies now plan to implement virtually all components by the end of March 2014, with full implementation expected by June 2014.

Agencies' efforts are underway to adequately address three of five elements that GAO identified as important for effective implementation and evaluation of TAP:

*1-Track attendance:* DOD has systems to collect and report on attendance, which help measure the extent to which TAP achieves its attendance goals.

*2-Ensure training quality:* The agencies collect and plan to use participant feedback on instruction, content, and facilities to improve training. Each agency also plans to monitor its respective TAP components through site visits.

*3-Assess career readiness:* The agencies developed standards to assess servicemembers' career readiness. During a capstone assessment, commanders are expected to verify and document whether standards were met.

Agencies' efforts to address the remaining two elements are mixed:

*4-Ensure participation and completion:* DOD has assigned commanders the responsibility for overseeing participation and has required the services to schedule training and communicate its importance to servicemembers. While the Army and Air Force gauge participation at the command level, the Navy and Marines lack a similar oversight mechanism.

*5-Measure performance and evaluate results:* The agencies have established certain measures to assess program performance, but their TAP evaluation approach is incomplete. For example, the agencies have established measures to track program outputs, such as the percentage of servicemembers who have participated in TAP. However, the agencies' efforts to evaluate TAP results have focused on basic end-of-course evaluations and gauging servicemembers' readiness prior to separation instead of higher impact program evaluations, such as assessing the effectiveness of TAP on servicemembers 6 months after they have separated from the military. According to agency officials, such evaluations are being considered for certain components of TAP, but they could not provide GAO with a justification for including or excluding specific components of TAP in their evaluation planning efforts.

Based on GAO's prior work and according to officials from the agencies and organizations GAO spoke with, a key remaining challenge for TAP may be the unfavorable timing and location of program delivery for National Guard and Reserve members. Unlike active duty servicemembers, National Guard and Reserve members receive TAP services closer to their transition and in locations that are generally neither where they work nor live. As a result, they may be distracted and have less time to benefit from TAP services. DOD is not well positioned to verify these concerns because it is not collecting data about these members' experiences with the timing and location of TAP service delivery.

### **Why GAO Did This Study**

Over the next few years, over a million military servicemembers are expected to transition to civilian life and some may face challenges such as finding employment. To help them, TAP provides departing servicemembers employment assistance and information on VA benefits, among other things. Begun in 2011, efforts to revamp TAP are underway based on the VOW to Hire Heroes Act of 2011 and the administration's recommendations. The act also mandated GAO to review TAP. This report addresses: 1) the status of TAP implementation; 2) the extent to which elements of effective implementation and evaluation of TAP have been addressed; and 3) any challenges that may remain. To do this GAO identified five elements of effective implementation and evaluation based on relevant federal laws and previously established GAO criteria for training programs; reviewed related GAO work; assessed reports, plans, and policies provided by agencies that administer TAP; interviewed officials from entities that support servicemembers and veterans; and conducted four nongeneralizable discussion groups with servicemembers who had taken TAP at three military installations.

### **What GAO Recommends**

GAO recommends that DOD improve oversight and implementation of TAP, including actions to gauge participation for all of the services and collect data about National Guard and Reserve members' experiences. DOD disagreed with two of GAO's three recommendations. GAO continues to believe that the recommendations are needed as discussed in the report.

### **Recommendations for Executive Action**



**Recommendation:** To better ensure servicemember participation in and completion of TAP, the Secretary of Defense should direct the Under Secretary for Personnel and Readiness to require that all services provide unit commanders and their leaders information on TAP participation levels of servicemembers under their command, similar to that provided by the Army and Air Force. Such information could be used to help hold leaders accountable for ensuring TAP participation and completion.

Agency Affected: Department of Defense

Status: Open

**Recommendation:** To provide information on the extent to which the revamped TAP is effective, the Secretary of Defense should direct the Under Secretary for Personnel and Readiness to work with the partner agencies to develop a written strategy for determining which components and tracks to evaluate and the most appropriate evaluation methods. This strategy should include a plan to use the results of evaluations to modify or redesign the program, as appropriate.

Agency Affected: Department of Defense

Status: Open

**Recommendation:** To ensure that decisions about the participation of eligible members of the National Guard and Reserves in TAP are fully informed, the Secretary of Defense should direct the Under Secretary for Personnel and Readiness to systematically collect information on any challenges facing demobilizing members of the National Guard and Reserves regarding the logistics of the timing and location to attend TAP. For example, agencies might add questions to their online assessment tool specific to eligible members of the National Guard and Reserves who participate in TAP.

Agency Affected: Department of Defense

Status: Open

## ***Sen. Franken Seeks Entrants to Poetry Contest for Minnesota Students***

*Theme of Contest will be “Celebrating the Veteran in My Life”*

ST. PAUL, MN [03/10/14]—In recognition of the Month of the Military Child and National Poetry Month in April, U.S. Sen. Al Franken (D-Minn.) announced that he is hosting his third annual poetry contest for Minnesota students. The theme of this year's contest is "Celebrating the Veteran in My Life."

"With the Iraq war over and America's role in Afghanistan winding down, there are thousands of students all across Minnesota who truly understand the sacrifices veterans and their families have made for our country," Sen. Franken said. "Some of them are children of current service members, while others know men and women who have served. This poetry contest will allow students to honor those veterans and to put into their own words what those sacrifices have meant to them."

The contest is open to all children of military families in Minnesota grades K-12, with three age categories: Kindergarten to 6th grade; 7th to 9th grades; and 10th to 12th grades.

Winners will be chosen in each age category. Those selected will receive an invitation to attend a reception at Sen. Franken's St. Paul office. Guests include Sen. Franken; Minnesota Commissioner of Veterans Affairs Larry Shellito; Minnesota Poet Laureate Joyce Sutphen; Minnesota National Guard Major General Rick Nash; and Minnesota Education Commissioner Brenda Cassellius.

Top winning poems in each category will be framed and displayed in Sen. Franken's offices in St. Paul or Washington, D.C. The overall winner in each age group will receive an autographed book by famed Minnesota author Garrison Keillor.

If you or someone you know wishes to participate in Sen. Franken's poetry contest, please submit a poem by April 18, 2014 to [poetry@franken.senate.gov](mailto:poetry@franken.senate.gov) or by mail to:

Office of Sen. Al Franken  
c/o 'Poetry Contest'  
60 Plato Boulevard East, Suite 220  
St. Paul, MN 55107

Participants may submit only one entry, with a maximum word count of 250 words. Each entry must include the name of the child, the parent/guardian's name, a phone number, and the name of the child's school. Please clearly indicate the participant's age category.